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SUMMARY RECORD OF THE 63rd MEETING

Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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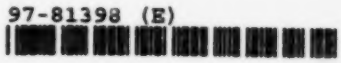

The meeting was called to order at 10.20 a.m.

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued) (A/51/688 and Corr.1 and Add.1-3 and A/51/813)

1. Mr. HALBWACHS (Controller), introducing the reports of the Secretary-General on gratis personnel provided by Governments and other entities (A/51/688/Add.1-3), said that document A/51/688/Add.1 provided an explanation of administrative support costs and their legislative basis, set forth in financial regulation 7.2 and General Assembly resolution 35/217, and went on to describe the methodology and level for the application of support costs. Document A/51/688/Add.2 contained updated information on the number and nationality of gratis personnel on board as at 31 March 1997, and gave a breakdown by department/office. Document A/51/688/Add.3 provided an explanation of how the proposed guidelines would be implemented. That addendum was only preliminary, given that the General Assembly still had to take a number of decisions in that regard, following which the guidelines would again be revised.

2. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had considered the reports of the Secretary-General (A/51/688/Add.1, Add.2 and Add.3) submitted in response to General Assembly decision 51/466 of 3 April 1997.

3. Document A/51/688/Add.1 dealt with the methodology and rate of administrative support costs mentioned in paragraphs 51 to 66 of the Secretary-General's previous report on gratis personnel (A/51/688). Paragraphs 4 to 14 presented what the Secretariat believed to be the legislative basis for the acceptance o. voluntary contributions, while paragraphs 15 to 17 described the methodology used in the application of administrative support costs charged for voluntary contributions, including gratis personnel.

4. The Advisory Committee, however, reiterated the opinion regarding the use of Type II gratis personnel it had expressed in its previous report on the matter (A/51/813), which was still under consideration by the Fifth Committee. He recalled in that connection that during the informal meetings of the Fifth Committee, he had explained at length the related recommendations of ACABQ on the question of charging support costs to Type II gratis personnel. There was no information in the present report of the Secretary-General that would change the views of the Advisory Committee on the subject.

5. The Advisory Committee reaffirmed that the use of gratis personnel, which should only occur on an exceptional and temporary basis, represented a departure from normal personnel practice, and should be limited to the two situations indicated in paragraphs 13 and 14 of its report, and subject to the provisions indicated therein. Those two situations related very specifically to cases of urgency, such as the start-up or sudden expansion of operations, and to cases requiring very specialized functions not otherwise available in the Secretariat.

6. Since those situations would imply full disclosure in the relevant budgets, as well as provision for the positions occupied by that type of personnel, the

Advisory Committee did not see the need to charge administrative support costs for Type II gratis personnel in such cases.

7. Document A/51/688/Add.2 updated the information presented by the Secretary-General in his report A/51/688 and Corr.1, including the nationality of such personnel, indicating those changes that had taken place after 31 October 1996. The Advisory Committee noted that as at 31 March 1997, the number of Type I gratis personnel had decreased from 238 to 202, and the number of Type II gratis personnel had increased from 331 to 334. The latter figure, however, did not include personnel provided by Governments to the United Nations Special Commission.

8. In document A/51/688/Add.3, the Secretary-General proposed some changes and revisions to the guidelines attached to his report A/51/688, as requested in paragraph (b) (iii) of General Assembly decision 51/466. ACABQ, however, was of the opinion that the guidelines would require further revision once the Fifth Committee had recommended to the General Assembly the appropriate policy to govern gratis personnel on the basis of the recommendations of the Advisory Committee as modified by the Fifth Committee. The Secretary-General should not have been requested to propose a revision of the guidelines before the Fifth Committee had recommended to the General Assembly a policy on the question of gratis personnel. Accordingly, the Advisory Committee recommended that a final review of the guidelines should be carried out after a decision was taken by the General Assembly on the relevant recommendations of the Fifth Committee. The Secretary-General should submit to the General Assembly through the Advisory Committee a consolidated set of revised guidelines including those contained in document A/51/688/Add.3. In the meantime, ACABQ recommended that no action should be taken by the Fifth Committee on that document.

9. Mr. SIAL (Pakistan) said that his delegation welcomed the timely submission of the reports. As the need for gratis personnel had arisen because of the financial crisis, their use should be considered as an ad hoc measure and not a permanent solution. Their continued use would only exacerbate the situation, and if Member States fulfilled their legal obligations under the Charter there would be no need for them. He found it intriguing that some Member States made voluntary contributions while failing to meet their obligations.

10. His delegation shared the concern of the Secretary-General that financial constraints made it difficult to recruit staff in a planned and orderly manner. That difficulty could be overcome only if Member States paid their assessed contributions in full and on time.

11. There was a legislative basis for the application of administrative support costs in respect of voluntary contributions, including gratis personnel. The practice should continue, pending a permanent solution. There was no need to change the Financial Regulations.

12. The guidelines for the use of gratis personnel would have to be revised following consideration by the Fifth Committee of the Advisory Committee's recommendations. A comprehensive draft resolution on the matter must be adopted at the second part of the resumed session. Lastly, he wished to know what the views of the Advisory Committee were on the Secretary-General's proposal that

the staff of the United Nations Special Commission should be excluded from the scope of the guidelines since they were governed by a special regime.

13. Mr. JONAH (Sierra Leone) said that his delegation concurred in the views and recommendations of the Advisory Committee.

14. The Committee must not overlook the larger principles involved. While he did not question the motives of those Member States providing gratis personnel, the use of Type II gratis personnel would do tremendous damage to the international civil service. Unfortunately, the failure to solve the financial crisis would make it increasingly difficult for the Organization to avoid the use of such personnel. The time had come to face up to the real situation, since the view that the major debtor would pay was over-optimistic - it was clear from events in the past few days that that simply would not happen.

15. Ms. SHENWICK (United States of America) said that her delegation supported full budgeting and disclosure for transparency purposes only and would distinguish between budgeting and assessments for that purpose. It continued to support the Secretary-General's reliance on gratis personnel to augment regular staffing requirements and provide expertise not normally available in the international civil service. The United States would support a resolution on gratis personnel which bound such staff to the staff rules and regulations and which required the Secretary-General to distinguish between gratis personnel augmenting mandated activities and those who were not, and to charge overhead fees that were technically defensible on the latter category only. Her delegation did not agree with the conclusions of the Secretary-General's report (A/51/688/Add.1) with respect to the methodology and level for the application of administrative or programme support costs.

16. In her delegation's view, the General Assembly's decision which deferred consideration of the item to the resumed session did not prevent the Secretary-General from replacing currently provided gratis personnel. The Secretary-General had the authority to continue to accept gratis personnel up to the limits established in his report or for new activities. Her Government had serious concerns over the guidelines issued in the Secretary-General's report.

17. Ms. EERIKÄINEN (Finland) asked for the statement by the Chairman of the Advisory Committee to be made available in writing.

18. Mr. DVINIANINE (Russian Federation) said that his delegation was concerned by the use of Type II gratis personnel for peacekeeping operations not only in field posts, but also at Headquarters, as well as in international tribunals, i.e. for activities which were financed through assessed contributions to the budget. The use of Type II gratis personnel, which represented a departure from normal personnel practice and the safeguards therein, should be on an exceptional and temporary basis only. The relevant resolutions of the General Assembly and the Financial Regulations must be strictly observed. In particular, under financial regulation 7.2, the acceptance of voluntary contributions must not involve additional financial liability for the Organization. Accordingly, the Secretary-General should cease using funds under the budget to meet ancillary expenses occasioned by the use of gratis personnel. His delegation would welcome specific information on the actual expenditures

involved. He agreed that the Committee must take action at the second part of the resumed session.

19. Mr. MENKVELD (Netherlands) speaking on behalf of the European Union, said that, with regard to administrative support costs, there must be a clear distinction between mandated and voluntary activities. For mandated activities no charge should be applied, and there should be no cross-subsidy between the two types of activity. There was also a need to review the methodology and level for the application of support costs in respect of voluntary activities. In particular, it was questionable whether the same charge should be applied for all kinds of voluntary contributions, and it appeared that the application of a standard 13 per cent for such disparate contributions as, say, personnel and the use of an aircraft was difficult to justify; in fact it amounted to a cross-subsidy. The methodology must be reviewed to ensure that appropriate costs only were charged.

20. The Committee would need additional information when it considered the proposed guidelines. For example, with regard to guideline 3, on functions, it would be useful to know whether the Secretariat had implemented the resolution on the support account adopted at the fiftieth session, and it must be ensured that there were budgeted posts for all loaned personnel. He trusted that the Advisory Committee's recommendations would be included in the Fifth Committee's final views on the guidelines, and was confident that the question of gratis personnel could be dealt with at the second part of the resumed session.

21. Mr. NOUR (Egypt) said that clear guidelines and rules should govern the use of gratis personnel, who should not be considered as a substitute for staff to be recruited against authorized posts for the implementation of approved activities. In the absence of any clear guidelines approved by the General Assembly for the use of such personnel, the financial rules and regulations, in particular regulation 7.2, should be applied without exception.

22. He agreed with the view expressed by the Secretary-General in paragraph 18 of his report (A/51/688/Add.1) concerning the use of gratis personnel for implementing mandated activities. It was the collective responsibility of Member States to provide the necessary resources for the implementation of mandated programmes and activities by staff recruited in accordance with the staff rules and regulations pursuant to Articles 100 and 101 of the Charter of the United Nations. The Committee was still waiting for the additional information it had requested in connection with paragraph 7 of document A/51/688/Add.1.

23. Noting that some gratis personnel mentioned in the Secretary-General's report, including half of the staff of the International Criminal Tribunal for the Former Yugoslavia, had been provided by non-governmental organizations, he wondered whether there were any precedents for the use of gratis personnel provided by non-governmental organizations to implement mandated activities at the headquarters of a United Nations body, and requested information about the non-governmental organizations that had provided such personnel. In his view, the guidelines needed to be improved in order to bring them in line with the Advisory Committee's recommendations in that regard. He hoped that the

Committee would be able to find a definitive solution to the issue during the second half of the current resumed session.

24. Mr. YAMAGIWA (Japan) said that the recent practice of accepting gratis personnel was an issue of critical importance, since it called into question the principle of Member States shouldering the financial liabilities of the Organization. In the interests of efficiency and integrity, the mandated activities of the United Nations should be carried out by staff appointed in accordance with the relevant provisions of the Charter. The fact that a significant number of non-staff members, who were not governed by the staff rules, performed core functions in the Organization was a source of great concern. He shared the Advisory Committee's view that the utilization of gratis personnel should be restricted to exceptional cases, for limited periods of time when specialized expertise not available in the Secretariat was required. The status, duties and responsibilities of such personnel should be clearly defined. He hoped that further discussions on the issue would lead to a conclusion that would enhance the sound functioning of the Organization.

25. Mr. MSELLE (Chairman, Advisory Committee on Administrative and Budgetary Questions), responding to the question asked by the representative of Pakistan, said that paragraph 3 of document A/51/688/Add.3 reflected the Secretary-General's view that the personnel of the United Nations Special Commission was governed by a special regime and would therefore not appear to be governed by whatever guidelines the General Assembly approved for gratis personnel. Members of the Advisory Committee had noted a number of contradictions, including paragraph 3, but had refrained from giving an opinion on the guidelines until it received a consolidated text containing all the guidelines prepared by the Secretariat, after the Fifth Committee had adopted a policy decision, as recommended by ACABQ in its report. He hoped that the Fifth Committee would not proceed in a piecemeal manner. A single text needed to be prepared by the Secretariat after the Fifth Committee had pronounced itself on all the related policy issues.

26. It had not been appropriate to ask the Secretariat to present revised guidelines prior to the conclusion of the Fifth Committee's discussions. Indeed, as the Secretary-General pointed out in document A/51/688/Add.3, the guidelines would be revised again after the Fifth Committee had considered them.

The meeting rose at 11.10 a.m.